

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 6, 1996

SUBJECT: **SB 2430 - HB 2804**

This bill, if enacted, will require that student dropout rates, as well as African-American dropout rates, be organized by schools and local education agencies (LEAs).

The bill provides that when in any LEA the African-American dropout rate shows a variance of more than 5% from the overall student dropout rates and, if such LEA has more than 100 African-American students, then the LEA must develop and implement a reasonable plan of action for reducing the variance to less than 5%, and must file the plan with the Commissioner of Education. The LEA must also file a progress report by September 1 each year concerning implementation of the plan. If the LEA achieves its dropout rate pursuant to Tennessee Challenge 2000 while its African-American dropout rate exceeds such goal, incentive grants for the school system will be withheld.

The fiscal impact from enactment of this bill is estimated to be an increase in local government expenditures for the implementation of a plan to reduce the African-American dropout rate. Such increase will

depend upon the measures prescribed to reduce the variances but is estimated to be not significant.

In addition, it is estimated that enactment of the bill will result in some LEAs losing incentive grants as a result of not meeting African-American dropout rates pursuant to Tennessee Challenge 2000.

However, such loss of local government revenues is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director